

INVITATION FOR BID (IFB)

Bid Event Number: EVT0001695
Document Number: IFB0000318
Replaces Contract: 12577
Date Mailed: October 25, 2012
Closing Date: November 27, 2012, 2:00 PM
Procurement Officer: Tami Sherley
Telephone: 785-296-3122
E-Mail Address: tami.sherley@da.ks.gov
Web Address: <http://da.ks.gov/purch>
Item: Insurance, Boilers
Agency: Statewide, Optional
Period of Contract: 12:01AM January 1, 2013 through 12:01AM January 1, 2016
(or specific information about renewal options available)
See Section C, Item 5 for alternate periods

Event Number EVT0001695 was recently posted to Procurement and Contracts' Internet website.
The document can be downloaded by going to the following website:

<http://www.da.ks.gov/purch/RFQ/>

It shall be the vendor's responsibility to monitor this website on a regular basis for any changes/amendments.

SECTION A

INVITATION FOR BIDS

1. Notice is hereby given that sealed proposals will be received for Boiler Insurance for the State of Kansas, various agencies. Bids will be accepted until 2:00 p.m., November 19, 2012, at the office of the Director of Procurement and Contracts, Procurement and Contracts, Department of Administration, Landon State Office Building, 900 S.W. Jackson Street, Room 652 South, Topeka, Kansas 66612-1286. At said time, bids will be publicly opened and read aloud. Bids received after said time and date will be retained in the file unopened and not receive consideration.
2. Bids shall be submitted on forms furnished herewith. Additional bid forms and specifications may be obtained by addressing the Director of Procurement and Contracts, as above.
3. Questions requesting clarification of the Bid must be electronically submitted to the Procurement Officer (E-mail: tami.sherley@da.ks.gov) by noon on November 8, 2012. Responses to any questions will be issued via Amendment and posted at the following website: <http://www.da.ks.gov/purch/Contracts/bids.aspx>
4. Wherever and whenever the word "State" is used, it shall mean the Committee on Surety Bonds and Insurance under whose authority this insurance will be purchased.
5. Bid results will not be given to individuals over the phone. Results can be obtained by attending the public bid opening. If unable to attend the public bid opening, bid tabulations can be obtained in person for \$3.00. Bid results can also be obtained by sending (do not include with bid), a check for \$3.00 payable to the State of Kansas, with a self-addressed, stamped envelope to the Kansas Procurement and Contracts, Attn. **Bid Results/Copies, 800 SW Jackson, Room 600, Topeka, KS 66612**. Please reference quote number on check. Copies of individual bids may be obtained under the Kansas Open Records Act by sending an e-mail to janet.miller@da.ks.gov or calling 785-296-0002, requesting an estimate of the cost to reproduce the documents and remitting that amount to the above address. Upon receipt of the funds, the documents will be sent.
6. Faxed or electronic bid responses are not allowed.
7. **CRIMINAL OR CIVIL OFFENSE OF AN INDIVIDUAL OR ENTITY THAT CONTROLS A COMPANY OR ORGANIZATION OR WILL PERFORM WORK UNDER THIS CONTRACT:** Any conviction for a criminal or civil offense that indicates a lack of business integrity or business honesty must be disclosed. This includes (1) conviction of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract or in the performance of such contract or subcontract; (2) conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property; (3) conviction under state or federal antitrust statutes; and (4) any other offense to be serious and compelling as to affect responsibility as a state contractor. For the purpose of this section, an individual or entity shall be presumed to have control of a company or organization if the individual or entity directly or indirectly, or acting in concert with one or more individuals or entities, owns or controls 25 percent or more of its equity, or otherwise controls its management or policies. Failure to disclose an offense may result in disqualification of the bid or termination of the contract.
8. **Immigration and Reform Control Act of 1986 (IRCA):** All contractors are expected to comply with the Immigration and Reform Control Act of 1986 (IRCA), as may be amended from time to time. This Act, with certain limitations, requires the verification of the employment status of all individuals who were hired on or after November 6, 1986, by the contractor as well as any subcontractor or sub-contractors. The usual method of verification is through the Employment Verification (I-9) form.

With the submission of this bid, the contractor hereby certifies without exception that such contractor has complied with all federal and state laws relating to immigration and reform. Any misrepresentation in this regard or any employment of persons not authorized to work in the United States constitutes a material breach and, at the State's option, may subject the contract to termination and any applicable damages.

Unless provided otherwise herein, all contractors are expected to be able to produce to State any documentation or other such evidence to verify Contractor's compliance with any provision, duty, certification or like under the contract.

EQUAL OPPORTUNITY CLAUSE

Pursuant to K.S.A., Chapter 44, Article 10, this agreement entitled "Equal Opportunity Clause" is hereby incorporated in and made a part of any contract of insurance issued as a result of this bid proposal.

During the performance of this contract, the contractor agrees as follows:

- (a) The contractor shall observe the provision of the Kansas Act Against Discrimination and shall not discriminate against any person in the performance of work under the present contract because of race, religion, color, sex, national origin or ancestry:
- (b) In all solicitations or advertisements for employees, the contractor shall include the phrase "equal opportunity employer", or a similar phrase to be approved by the commission:
- (c) If the contractor fails to comply with the manner in which he reports to the commission in accordance with the provisions of section 15 (44-1031) of this Act, the contractor shall be deemed to have breached the present contract and it may be canceled, terminated or suspended, in whole or in part by the contracting agency:
- (d) If the contractor is found guilty of a violation of the Kansas Act Against Discrimination under a decision or order of the commission which has become final, the contractor shall be deemed to have breached the present contract and it may be canceled, terminated or suspended, in whole or in part, by the contracting agency;
- (e) The contractor shall include the provisions of subsections (a) through (d) inclusively of the present section in every subcontract or purchase order so that such provisions will be binding upon such subcontractor or vendor.

SECTION B
SPECIAL PROVISIONS

1. PROPOSALS:

Proposal forms submitted in response to this invitation for bids shall be delivered in a sealed envelope addressed to the Director of Procurement and Contracts, Procurement and Contracts, Department of Administration, **800 S.W. Jackson Street, Room 600**, Topeka, Kansas 66612-1286, and shall bear the name of the individual, partnership or corporation submitting the bid and shall be labeled, "Proposal for Boiler Insurance."

Proposals shall be properly and completely executed on the proposal form furnished. (Section D, hereof).

Electronic modifications will be considered only if received prior to the closing time for receipt of proposals provided that written confirmation of the electronic modification, over the signature of the bidder, was mailed prior to the bid closing time. If written confirmation is not received within two (2) days after the closing time, no consideration will be given to the electronic modification.

2. AWARD OF CONTRACT:

Award will be made by the State in accordance with K.S.A. 75-4125. Pursuant to K.S.A. 75-4125, vendors may be required to appear before the Surety Bond Committee to respond to questions from the Committee concerning the proposal and negotiate an award; or, the Committee may award to the low bidder of the selected option without conducting negotiations. The Committee reserves the right to request information from vendors as needed. If information is requested, the Committee is not required to request the information of all vendors. Vendors are not to inflate prices in the initial proposal as cost may be a factor in determining who may receive an award.

3. REJECTION OF BIDS:

The State reserves the right to reject any and all bids. Bids may be rejected for failure of the bidder to comply with any of the requirements set forth in these specifications. The State may award on any of the requested options as may be deemed in its best interest. In the event all bids are rejected, the current insurer may be requested to extend coverage for a reasonable time necessary to permit coverage either to be re-bid or negotiated.

4. BINDING AUTHORITY:

The bidder shall have authority to bind coverage in accordance with his proposal.

SECTION C

SPECIFICATIONS

1. SCOPE AND PURPOSE

These specifications are intended to cover the purchase of insurance on Boilers owned by the State of Kansas as noted in Section D in accordance with the provisions of K.S.A. 74-4705.

2. QUALIFICATIONS OF BIDDERS:

Each bidder, pursuant to K.S.A. Chapter 40, particularly K.S.A. 40-214 and pertinent Insurance Department Rules and Regulations, shall be a duly authorized representative of the insurance company for which the bid is submitted and such company must be properly licensed and admitted to transact the insurance business herein described in the State of Kansas.

Any agent participating in this bid shall be affiliated with a licensed agency appointed by that insurer in the State of Kansas. In the event the agent is individually licensed by an insurance company, the agent shall be appointed by that insurer in the State of Kansas. The required appointment shall occur no later than 30 days after the bid closing date or the policy period effective date, whichever come first.

3. COVERAGE:

The coverage desired by the State is "Limited Coverage". Limits per accident shall be one hundred thousand dollars (\$100,000) with a \$250 deductible per object.

Coverage is to be afforded by the following ISO forms

EB 00-20-09-07

EB 01-05-09-07

NOTE: ALTERNATE BID – As an option (alternate bid), premium quotations are also invited for "Limited Coverage" with limits per accident of fifty thousand dollars (\$50,000) with a \$250 deductible per object.

The State requests bids providing for alternate deductibles of \$1,000 and \$2,500 per object. (See bid summary document.)

The State reserves the right to award in whole or part; i.e., some agencies may elect not to purchase coverage.

4. CANCELLATION OF COVERAGE:

Pursuant to K.S.A. 75-4016, coverage purchased hereunder may not be cancelled by the insurance company or the Committee during the term of such contract unless a substitute contract upon the same terms and conditions covering the affected property is in force or the Committee determines the property affected no longer requires the coverage provided by the contract.

5. POLICY PROVISIONS:

Any insurance issued as a consequence of this Request shall be for a three (3) year period beginning 12:01 a.m., January 1, 2013, through 12:01 a.m., January 1, 2016. Each bidder shall agree to furnish, if such bid is accepted, a binder of such coverage on or before the aforementioned date. Premium shall be quoted on a three (3) year prepaid cash basis.

NOTE: A three (3) year policy with annual installment premium payments may receive consideration.

As noted in Section B, Item 3, the State reserves the right to reject all bids. If such action is taken in subsequent bid offerings and if so requested by the State, the successful bidder for this offering agrees to extend this coverage for a reasonable time necessary to permit coverage either be re-bid or negotiated. Additional premium shall be calculated pro-rata based on the rates/premium applicable to the current policy. An appropriate endorsement shall be issued at that time which provides for the coverage extension.

6. ALTERNATE FORM BIDS:

In the event the company wishing to bid this program cannot provide coverage as specified herein, it will be permissible to submit other alternate proposals for consideration if such alternates provide coverage equal to or greater than that provided by the ISO forms listed in above. Bids utilizing deductibles other than those specified must be clearly identified.

Alternate bids must be clearly identified as such with complete deductible information provided. **If a multi-year policy is being bid, an exact definition of how second and/or third year premium charges would be calculated must be identified.**

Policy forms and endorsements intended to be utilized by the company by virtue of the alternate bid must be consistent with filings made by or on behalf of the company. Any filings necessary to place the alternate bid into effect must be made pursuant to KSA 40-216 and other applicable statutes and regulations.

If a company submits a multi-year bid the insurance company shall reflect the full term of the policy. For example, if a company submits a three (3) year bid, the policy period displayed on the policy shall reflect a 1/1/13 to 1/1/16 policy term.

The company issuing the insurance under an alternate proposal permitted under this paragraph shall endorse the policy substantially as follows:

"It is agreed that any claim for loss under this policy will be settled on terms not less favorable to the State of Kansas than those which would have applied had the coverage been provided by the forms prescribed in Paragraph 5, Section C of the bid specifications under which this policy was issued."

7. INSPECTIONS:

The successful bidder is required to provide the boiler inspections for each covered object. The requirements of K.S.A. 44-913 et seq. regarding boiler inspections shall apply under any contract established under these specifications.

Following each inspection, the insurer shall submit in writing any maintenance, repair, or safety recommendations which may become apparent as a result of these inspections.

Copies of all reports are to be submitted as follows:

(1) One (1) copy to the institution or location of the property involved.

(2) One (1) copy to State Boiler Inspector
800 SW Jackson, Suite 1500
Topeka, KS 66612-1227

(3) One (1) copy to Procurement and Contracts
800 S.W. Jackson, Room 600
Topeka, Kansas 66612

(4) One (1) copy to Office of Facilities and Property Management
800 S.W. Jackson, Room 600
Topeka, Kansas 66612

(a) The insurer agrees to make, at any time during the contract period, such additional inspections on insured as the State may request. Insurer further agrees to furnish each year, with the annual insurance

company audit, revised inventory sheets which reflect added and/or deleted objects. These services to be at no additional cost to the State.

8. CHANGES:

The State reserves the right to add or change at any time during the contract period, such other State-owned Boilers, or pressure Vessels, as are not specifically listed on the bid forms, or not presently with policy coverage. If using annual installment, the State reserves the right to delete any currently covered object from coverage at the time of annual premium payment, with the premium appropriately adjusted to reflect such deletion.

9. PREPARATION OF BIDS:

Bids submitted shall be prepared in accordance with the following:

- a) Prepared on State of Kansas bid forms supplied herewith.
- b) Bidder shall accompany bid with a list of the names, home addresses, and telephone numbers of the inspectors who will make inspections under any contract awarded to bidder, and shall immediately notify the Director of Procurement and Contracts of all changes in such list throughout the contract period. Each inspector shall hold a commission issued by the National Board of Boiler and Pressure Vessel Inspectors.
- c) Bidder shall enter in the appropriate place on bid forms the name of the company in which insurance is proposed.
- d) **Each bid shall show the equitably distributed premium for each institution by showing opposite each listed object, (see bid forms enclosed) the net object charge and grand total charge for each code (institution). Failure to do so may result in rejection of bid.**
- e) Bidder agrees, if awarded a contract under these specifications, to write the policy on a Blanket-Group Plan basis.

10. PAYMENT OF PREMIUMS:

If using three (3) year prepaid premium basis, the successful bidder will submit one (1) invoice for the three (3) year period to the Procurement and Contracts. Procurement and Contracts shall make appropriate charges to the funds of the agencies for whom the coverage was procured. Adjustments due to additions or deletions of coverage will be made in a similar manner.

If using annual installment, the successful bidder shall submit individual invoices for each code to the Procurement and Contracts. Payments will be made by each agency or code, thus the successful bidder will receive multiple payments during each installment.

11. CURRENT CARRIER AND PREMIUM:

Hartford Steam Boiler Insurance Company
Three (3) year premium with annual rerates:

2012 – 2013 = \$31,930

2011 – 2012 = \$31,301

2010 – 2011 = \$31,331

\$100,000 limits and \$1,000 deductible

(Note: The number of objects to be insured under the new contract has been reduced from the current contract.)

12. STATEMENT OF LOSSES:

The successful bidder must furnish itemized loss figures to the Procurement and Contracts on an annual basis. Upon request of the State, such information shall be available electronically using Microsoft Excel or other approved spreadsheet application.

13. EXPERIENCE:

Loss experience is available upon written request to tami.sherley@da.ks.gov.

14. ADDITIONAL UNDERWRITING INFORMATION:

The State will make every possible attempt to provide any additional underwriting information. Requests are to be submitted to Tami Sherley (tami.sherley@da.ks.gov).

Department of Administration
Procurement and Contracts
800 S.W. Jackson, Room 600
Topeka, KS 66612

We submit a proposal to furnish Property Insurance during the contract period in accordance with specifications. **I hereby certify that (we) do not have any substantial conflict of interest sufficient to influence the bidding process on this bid. A conflict of substantial interest is one which a reasonable person would think would compromise the open competitive bid process.**

NAME OF INSURANCE COMPANY _____

NAIC Number _____

*NAME OF AUTHORIZED REPRESENTATIVE

(Individual - not agency) _____

NAME OF AGENCY _____

FEIN _____

ADDRESS _____

CITY _____ STATE _____ ZIP CODE _____

TELEPHONE _____ FAX _____

E-MAIL _____

*Such individual must be authorized by the Kansas Insurance Statutes and Regulations to represent the above named Insurance Company.

The undersigned submits the attached bid to furnish the requirements during the contract period in accordance with the specifications and attests this bidder is not in arrears in taxes due the State of Kansas. I hereby certify that I (we) do not have any substantial conflict of interest sufficient to influence the bidding process on this bid. A conflict of substantial interest is one which a reasonable person would think would compromise the open competitive bid process.

Signature _____ Date _____

Typed/Printed Name of Signature _____ Title _____

BID SHEET

\$50,000

Three (3) year with Annual
Installment Premium
Payments